




STATE OF IOWA

CHESTER J. CULVER, GOVERNOR
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF MANAGEMENT
CHARLES J. KROGMEIER, DIRECTOR

DATE: March 4, 2009

TO: The Honorable Chester J. Culver
The Honorable Patty Judge

FROM: Charles J. Krogmeier, Director
Department of Management 

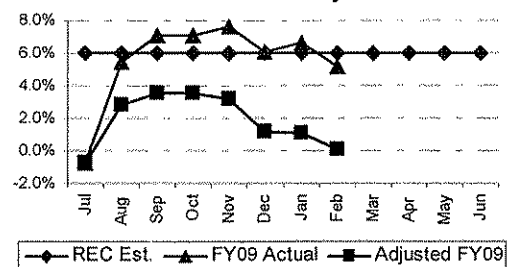
RE: February 2009 General Fund Receipts

General Fund receipts for February totaled \$656.0 million, which is \$0.8 million or 0.1 percent less than was collected during February 2008. February 2009 had 20 processing days as compared to 21 for February 2008. Fiscal year-to-date General Fund receipts totaled \$4.519 billion, an increase of 5.2 percent over the same period last year. The Revenue Estimating Conference's (REC) official estimated rate of annual growth is 6.0 percent for Fiscal Year 2009 on an unadjusted basis. It is important to note these figures do not include adjustments for school infrastructure transfers, tax refunds or accruals, which could reduce available revenue.

Summary

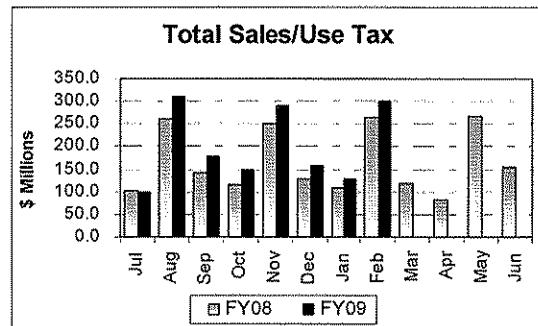
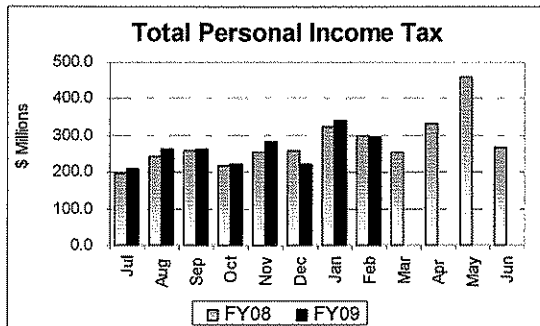
On an unadjusted basis, year-to-date revenue growth has slowed to a 5.2% increase compared to the Revenue Estimating Conference (REC) estimate of 6.0%. On an adjusted basis, revenue growth has slowed down to only 0.1% increase. The REC estimate will be revisited when the REC meets on March 20, 2009.

Year-to-Date Growth by Month



Personal Income Tax

Personal income tax receipts totaled \$295.4 million during February. This represents \$3.9 million or 1.3 percent less than the receipts of February 2008. Withholding tax receipts increased \$2.5 million or 0.9 percent compared to last year. Estimated payments decreased by \$3.8 million. Final return payments decreased by \$2.6 million. Fiscal year-to-date, personal income tax receipts totaled \$2.092 billion, an increase of 2.0 percent. Personal income tax receipts are estimated to grow by 1.9 percent for the year.

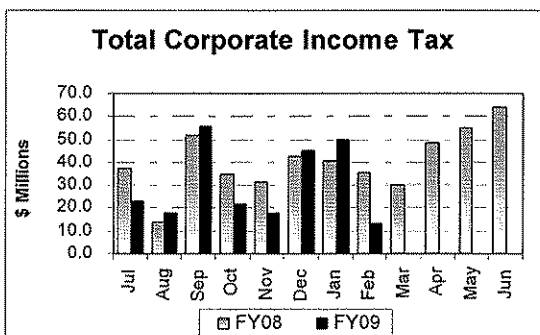


Sales/Use Tax

February sales/use tax receipts totaled \$301.0 million, which represents an increase of \$36.0 million or 13.6 percent compared to February 2008. The State sales/use tax was increased from 5.0% to 6.0% beginning July 1, 2008, with the increase replacing the School Infrastructure Local Option (SILO) sales tax. Beginning in August 2008, sales/use gross tax receipts are no longer adjusted for SILO sales tax payments to school districts. This adjustment is now made in the same manner as refunds are made, through a standing unlimited appropriation from the General Fund. The February adjustment for school infrastructure transfer was \$37.0 million. For the fiscal year, sales/use tax receipts totaled \$1.619 billion or 17.4 percent more than last year, compared to the estimate of increase of 20.9 percent.

Corporate Income Tax

Corporate income tax receipts during February totaled \$12.9 million, which is \$22.7 million or 63.8 percent less than in February 2008. For the fiscal year, corporate income tax receipts totaled \$243.7 million or 15.1 percent less than last year. The REC estimated that corporate income tax receipts would decrease at a rate of 15.9 percent.



Refunds

For the month of February, \$144.1 million in refunds were issued by the Department of Revenue on a cash basis. This compares to \$137.1 million issued February 2008. Year-to-date refunds issued are \$397.6 million compared to \$333.4 million for the same period last year. The REC estimated that refunds would to grow at 8.3 percent on an accrual basis to 755.0 million in Fiscal Year 2009.

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE MONTH ENDING FEBRUARY 28, 2009
(\$ MILLIONS)**

CASH BASIS

	MONTH OF FEBRUARY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$299.3	\$295.4	(\$3.9)	-1.3%	1.9%
Sales/Use Tax	265.0	301.0	36.0	13.6%	20.9%
Corporate Income Tax	35.6	12.9	(22.7)	-63.8%	-15.9%
Inheritance Tax	6.2	3.2	(3.0)	-48.4%	7.0%
Insurance Premium Tax	4.5	2.0	(2.5)	100.0%	3.5%
Cigarette Tax	16.1	14.9	(1.2)	-7.5%	-2.4%
Tobacco Tax	1.3	1.3	0.0	0.0%	2.8%
Beer Tax	1.0	0.9	(0.1)	-10.0%	0.0%
Franchise Tax	1.0	0.6	(0.4)	-40.0%	-14.4%
Miscellaneous Tax	0.1	0.0	(0.1)	-100.0%	0.0%
Total Special Taxes	\$630.1	\$632.2	\$2.1	0.3%	6.4%
Institutional Payments	1.3	2.1	0.8	61.5%	-9.4%
Liquor Transfers:	4.5	4.5	0.0	0.0%	12.7%
Interest	2.8	1.8	(1.0)	-35.7%	-34.8%
Fees	7.1	5.1	(2.0)	-28.2%	-13.2%
Judicial Revenue	8.6	8.4	(0.2)	-2.3%	5.6%
Miscellaneous Receipts	2.4	1.9	(0.5)	-20.8%	6.1%
Racing and Gaming	0.0	0.0	0.0	100.0%	0.0%
Total Gross Tax and Other Receipts	\$656.8	\$656.0	(\$0.8)	-0.1%	6.0%
Transfers	\$0.1	\$0.2	\$0.1		
Total Gross Tax and Other Rcpts & Transfers	\$656.9	\$656.2	(\$0.7)		
Reductions in General Fund Receipts					
School Infrastructure Transfer	\$0.0	(\$37.0)	(\$37.0)		
Refunds	(\$137.1)	(\$144.1)	(\$7.0)		
Total Reductions in GF Receipts	(\$137.1)	(\$181.1)	(\$44.0)		

Iowa Department of Management
March 4, 2009

**STATE OF IOWA
GENERAL FUND RECEIPTS STATEMENT
FOR THE EIGHT MONTHS ENDING FEBRUARY 28, 2009
(\$ MILLIONS)**

CASH BASIS

	EIGHT MONTHS THROUGH FEBRUARY		FY09 Over (Under) FY08		FY09 Annual Est Percent Of Growth
	FY08	FY09	Dollars	Percent	
Personal Income Tax	\$2,050.3	\$2,091.7	\$41.4	2.0%	1.9%
Sales/Use Tax	1,378.3	1,618.8	240.5	17.4%	20.9%
Corporate Income Tax	286.9	243.7	(43.2)	-15.1%	-15.9%
Inheritance Tax	52.7	52.1	(0.6)	-1.1%	7.0%
Insurance Premium Tax	57.4	51.7	(5.7)	-9.9%	3.5%
Cigarette Tax	151.5	148.3	(3.2)	-2.1%	-2.4%
Tobacco Tax	14.1	15.2	1.1	7.8%	2.8%
Beer Tax	9.9	10.0	0.1	1.0%	0.0%
Franchise Tax	20.3	18.1	(2.2)	-10.8%	-14.4%
Miscellaneous Tax	0.6	0.4	(0.2)	-33.3%	0.0%
Total Special Taxes	\$4,022.0	\$4,250.0	\$228.0	5.7%	6.4%
Institutional Payments	9.5	10.1	0.6	6.3%	-9.4%
Liquor Transfers:	44.8	53.1	8.3	18.5%	12.7%
Interest	22.0	12.9	(9.1)	-41.4%	-34.8%
Fees	55.6	50.5	(5.1)	-9.2%	-13.2%
Judicial Revenue	55.4	57.4	2.0	3.6%	5.6%
Miscellaneous Receipts	25.6	25.0	(0.6)	-2.3%	6.1%
Racing and Gaming	59.7	60.0	0.3	0.5%	0.0%
Total Gross Tax and Other Receipts	\$4,294.6	\$4,519.0	\$224.4	5.2%	6.0%
Transfers	\$50.9	\$43.9	(\$7.0)		
Total Gross Tax and Other Rcpts & Transfers	\$4,345.5	\$4,562.9	\$217.4		
Reductions in General Fund Receipts					
School Infrastructure Transfer	\$0.0	(\$221.5)	(\$221.5)		
Refunds	(334.0)	(397.6)	(63.6)		
Total Reductions in GF Receipts	(\$334.0)	(\$619.1)	(\$285.1)		

Iowa Department of Management
March 4, 2009